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SUBJECT: JERUSALEM MEDIA REACTION (8/28): WILL CAIRO TALKS ACHIEVE A MIRACLE?

Main Stories:

The dailies highlight and Al-Quds leads with reports of escalations in tension between Israel and Iran concerning the latter's possession of nuclear weapons. In an interview with the Israeli Radio on August 27 Deputy Israeli Minister of Defense Matan Vilnai is quoted as saying that Israel's enemies have established missile systems to attack Israel, for they know they cannot defeat Israel in the battlefield.

Al-Quds reports that a high-ranking Palestinian official in the Palestinian Presidency revealed that for the first time during her discussions with President Mahmud Abbas in Ramallah, U.S. Secretary of State Condoleezza Rice referred to the need to establish a Palestinian state within the June 1967 borders. The source added that, "This is considered a qualitative and clear development on part of the American administration vis-a-vis the peace process between Palestinians and Israelis." The source confirmed that Rice asked both sides to agree on changes to the 1967 borders, and that they work on the issue of Jerusalem and try to reach an understanding on the religious sites in the city and on the security and administrative arrangements for the eastern and western parts of the city. The source added that Rice has informed both sides that the American administration will try to compile an understanding that includes an international mechanism to compensate Palestinian refugees, as part of resolving the conflict.

Al-Ayyam and Al-Hayat Al-Jadida cite an AFP story about Israel's intention to ease restrictions on the release of Palestinian prisoners in any future exchange deal with Hamas on the release of Israeli soldier Gilad Shalit.

Al-Quds highlights a report quoting unnamed diplomatic sources in

East Jerusalem on August 27 that diplomatic missions in Jerusalem have complained to Israel about settlement activities in the Sheikh Jarrah neighborhood of East Jerusalem. The same sources told Al-Quds that two diplomatic missions have officially addressed the Israeli authorities in order to stop the settlement project at Karam Al-Mufti area, located near consulates and representative offices.

The three dailies report that the PA Ministerial Council expressed its support for steps taken by the General Teachers' Union and the unions of the health and public employees sectors in the Gaza Strip to protest the Hamas government's "practices and measures" against the employees in these unions.

The three dailies report that Israeli Minister of Defense Ehud Barak gave orders to reopen the crossing points between Israel and the Gaza Strip on August 28 after two days of closure. In addition, the Egyptian authorities decided to reopen the Rafah Crossing on August 30 and August 31 to allow the passage of special cases, including people in need of medical care.

All dailies report that the peace activists who arrived in the Gaza Strip on the "Free Gaza" boats will leave Gaza on August 28 to return to Cyprus. Palestinian Legislator Jamal Al-Khudari is quoted saying in a press conference on August 27 in Gaza that the peace activists will be accompanied by a number of Palestinians, including medical patients, who have been unable to leave the Gaza Strip.

Developments in the Palestinian factional dialogue in Egypt receive front-page coverage in all dailies. Al-Quds reports that Palestinian Ambassador to Egypt Nabil Amr stated on August 27 that in order for

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the national dialogue to succeed, there cannot be two authorities for one homeland. He added that Gaza and the West Bank must be geographically, politically, and administratively united. Hamas leader Ismail Haniyeh is quoted as saying the dialogue is facing serious difficulties.

BLOCK QUOTES:

1. Independent Al-Quds runs an editorial entitled, "The National Dialogue as Target and not as Logo" (8/28): "[I]nternal and external factors, such as competition between the Palestinian factions and Arab and international pressure, hinder the achievement of Palestinian national unity. These factors should be the focus of official Palestinian statements and declarations. Fatah and Hamas and all other Palestinian factions must join their efforts under Arab sponsorship to overcome [these factors]. This is not an impossible mission if the intentions were true and if the higher national interest was considered above any group or private interest..."

2. Al-Ayyam runs an editorial by regular columnist, Dr. Abdul Majid Sweilem, entitled, "Cairo Dialogues and Awaiting a Miracle" (8/28): "[T]he issues of security, PLO, political program, means of struggle, election mechanisms, and the focal points of the political system are all big and important issues that are capable of developing. Awaiting the miracle of agreement [between the Palestinian factions in Cairo], we must be aware that all those who consider the unity of the Palestinian cause, people and destiny are requested to be ready to deal with a national and popular work organized to change facts into a true national and struggle program which might be the strategic outlet of the country's crisis..."